

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:41

ANSWERED ON:18.11.2016

Counterfeit Currency

Chowdhary Shri Pankaj;Verma Smt. Rekha Arun

Will the Minister of FINANCE be pleased to state:

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- (a) Whether the Government has taken note of circulation of counterfeit currency notes on a large scale in the country;
- (b) if so, the details of such cases reported along with sources thereof during the last three years and the current year;
- (c) whether the Government has assessed the deleterious impact of counterfeit currency on the economy of the country, if so, the details thereof;
- (d) whether the government/Reserve Bank of India (RBI) has issued any directive to deal with the counterfeit currency, and if so, the details thereof; and
- (e) the various measures taken by the Government to stem out the prevalence of counterfeit currency in the country?

Answer

ANSWER

MINISTER OF FINANCE

(SHRI ARUN JAITLEY)

(a) to (e) A statement is laid on the Table of the House

Statement referred in reply to Lok Sabha Starred Q. No. 41* to be answered on 18th November, 2016 regarding Counterfeit Currency

As per information received from National Crime Records Bureau (NCRB) the details of counterfeit/Fake Indian Currency Notes (FICNs) detected is as follows:

Year Total no. of pieces of notes (for all denominations) Total value (in Rs.)

2013 846966 429025555

2014 801528 405802845

2015 886058 438343665

2016 upto 30.9.2016 574176 277939965

Use of Counterfeit/FICNs is causing various subversive activities such as espionage, smuggling of arms, drugs and other contraband in India. It is the main cause of parallel shadow economy. The World Bank in July, 2010 estimated the size of the shadow economy for India at 23.2% of the GDP in 2007. A parallel shadow economy corrodes and eats into the vitals of the country's economy. It can generate inflation and deprives Government of its legitimate revenues.

One special FICN Coordination (FCORD) Group has been formed in the Ministry of Home Affairs to share the intelligence/information amongst different security agencies of States/Centre to counter the menace of circulation of fake currency notes in the country. A Terror Funding and Fake Currency Cell (TFFC) has been established under National Investigation Agency (NIA) to stop the activities providing terrorist funding and FICN. In a recent development, with a view to curbing financing of terrorism through the proceeds of counterfeit/FICNs and also eliminating black money, Government has decided to cancel the legal tender character of the High Denomination bank notes of Rs. 500 and Rs. 1000 denominations issued by the RBI.

Further, incorporating new security features/new designs in the banknotes to stay ahead of the counterfeiters is an ongoing process. Towards this end, new banknotes of Rs. 500 and Rs. 2000 have been introduced in new design recently.
